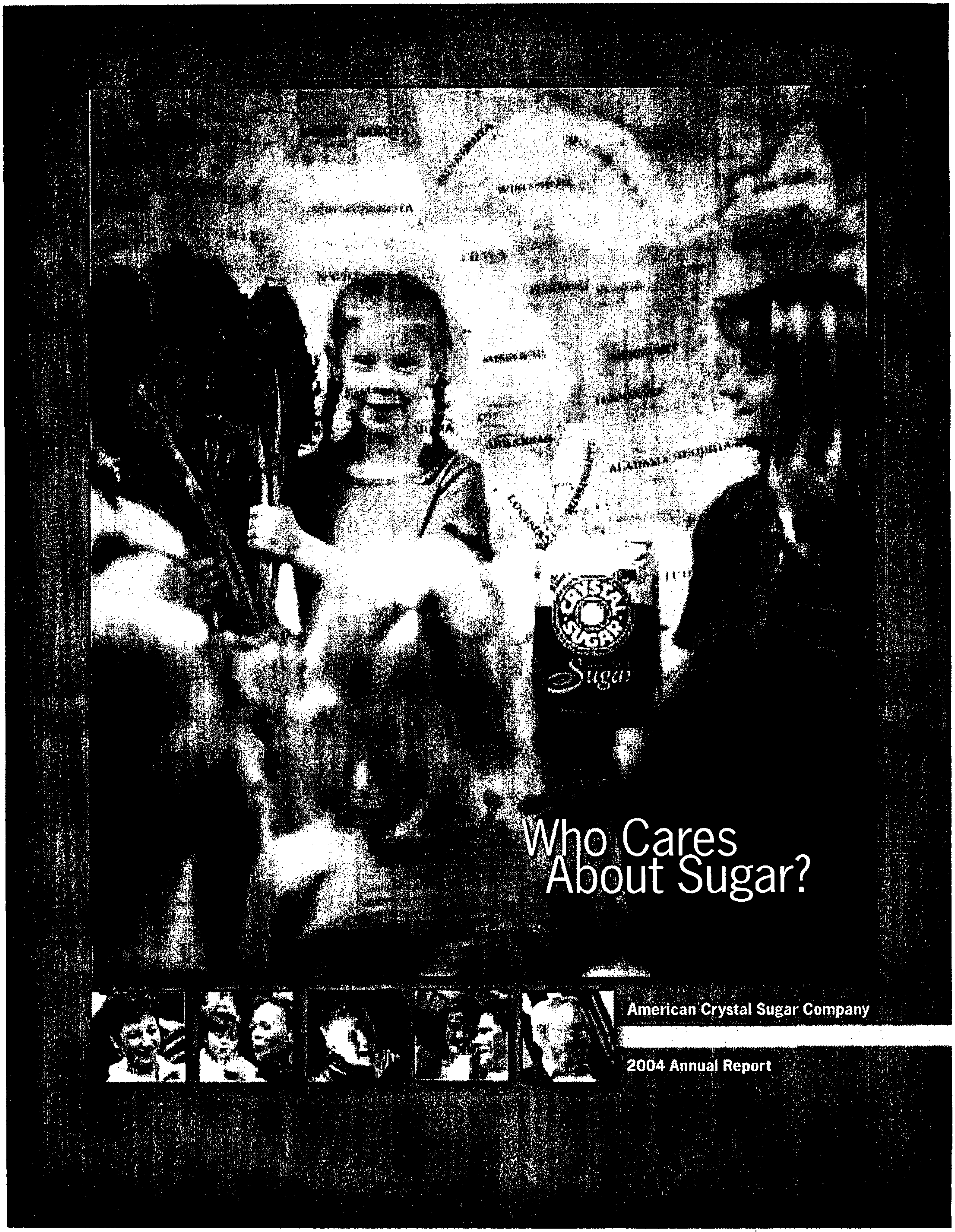
EXHIBIT 4


Who Cares About Sugar?
American Crystal Sugar Company
2004 Annual Report

American Crystal Sugar Company

American Crystal Sugar Company is a world-class agricultural cooperative specializing in the production of sugar and related agri-products. American Crystal is owned by approximately 2,900 shareholders who raise 500,000 acres of sugarbeets in the Red River Valley of Minnesota and North Dakota. As the largest beet sugar producer in the United States, American Crystal utilizes innovative farming practices, low-cost production methods, and sales and marketing leadership to produce and sell about 18 percent of America's highest quality sugar. The Company operates sugar factories in Crookston, East Grand Forks, and Moorhead, Minnesota; Drayton and Hillsboro, North Dakota; and in Sidney, Montana, under the name Sidney Sugars Incorporated. American Crystal's technical services center and corporate headquarters are also located in Moorhead.

Located in Bloomington, Minnesota, United Sugars Corporation markets American Crystal's sugar to retail and industrial customers throughout the nation. Midwest Agri-Commodities Company, based in San Rafael, California, globally markets American Crystal's agri-products such as sugarbeet pulp and molasses.

Financial Highlights

(Red River Valley Information Only, Amounts in Thousands, Except Percentages, Per-Ton-Purchased and Per-Acre-Harvested Amounts)	2004	2003	2002
Tons of Sugarbeets Purchased	10,006	8,749	8,058
Sugar Content of Sugarbeets	18.5%	17.0%	18.0%
Hundredweight of Sugar Produced	30,983	24,527	25,395
Gross Beet Payment	$ 468,882	$ 356,103	$ 375,824
Per Ton Purchased	$ 46.86	$ 40.70	$ 46.64
Per Acre Harvested	$ 945.46	$ 711.06	$ 829.48
Net Beet Payment	$ 438,891	$ 338,617	$ 351,670
Per Ton Purchased	$ 43.86	$ 38.70	$ 43.64
Per Acre Harvested	$ 884.99	$ 676.15	$ 776.17

This Annual Report contains forward-looking statements [illegible] of 1995. [illegible]

Greater Good — [illegible]

Growing Together — A noticeable energy comes over people when they gather for a warm acknowledgement of a loved one. Like cupcakes and children, and sugar from American Crystal Sugar Company — some things naturally go together.

Who Cares About Sugar?

The images in this report tell an important story. Sugar is an ingredient that touches the lives of people of all ages in more ways than they realize: when a child's happiness takes center stage at a party, as a jubilant team celebrates victory, or when special friends gather to enjoy a cool and creamy treat.

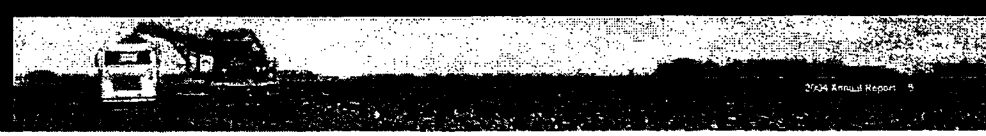
Sugar also has significant meaning to those whose livelihoods are tied to its production — such as the 32,000 people whose jobs are associated with the region's sugar industry and whose farms and communities are impacted by what happens in the field, in the factory, in the marketplace, and in the halls of government. Without question, sugar is an important American industry more people should know about and care about, which is why American Crystal Sugar Company is committed to using its resources to fight for equitable trade policies, promote the healthful aspects of its products, and competitively position itself for the years ahead.

Robert D. Vivatson
Chairman, Board of Directors

James J. Horvath
President and Chief Executive Officer

A Note From Chairman Vivatson

As I complete my 12 years on American Crystal Sugar Company's Board of Directors, I see a company focused in its direction. I see a company assembling the building blocks of productivity necessary to enhance financial performance and deliver tangible benefits to its customers, its people, and its communities. I see an organization disciplined and experienced with the structure to succeed. It has, indeed, been an honor to serve as a Director and Chairman of this amazing cooperative.



Taste of Victory

Energizing a Region

To Our Shareholders:

By nearly every measure, Fiscal Year 2004 was a very good year for American Crystal Sugar Company. Generating this success was a first-rate crop, solid strategic choices, and the proper execution of our core strengths. As a result, we took advantage of these opportunities to produce strong returns for our shareholders.

Fiscal Year 2004

From the field, our shareholders produced and delivered the second largest crop in our history — 10 million tons. Bolstering this effort were 496,000 harvested acres averaging 20.2 tons per acre and 18.5 percent sugar content. The finely tuned storage and processing of this crop yielded a new salable sugar production benchmark of almost 31 million hundredweight.

Favorable marketing conditions supported the vitality of these performances resulting in American Crystal shareholders receiving a gross beet payment of $46.86 per average ton. This translated into $945 per acre and total gross beet payment revenue of nearly $469 million, a record high.

Prudent Transactions

Moving into Fiscal Year 2004, we recognized that our sugar production would exceed our USDA-imposed marketing limits. As we explored options to offset this situation, we executed an acquisition for the second consecutive year. In September 2003, we acquired control of the sugarbeet processing facility and marketing allocations of Pacific Northwest Sugar Company, LLC, located in Moses Lake, Washington.

Through this prudent transaction we realized two critical mass benefits. First, the additional allocations enabled us to fully market our substantial fiscal year production. Second, we were able to escape any market-restricted acreage cutbacks. Meaning, in the spring of 2004, we were able to plant our full 500,000 stock acres.

Labor Accord

Our unionized workforce has long provided us with an important competitive advantage. After a lengthy negotiation period, we solidified this association with a new unprecedented 7-year contract agreement. The terms of this accord provide parameters to further build on this crucial long-term relationship.

At Issue

Working together with our industry counterparts, we remain vigorously opposed to trade agreements that include sugar. We believe that if proposed agreements such as the Central America Free Trade Agreement (CAFTA) were passed by Congress, sugar imports would greatly exceed U.S. needs making the no-cost U.S. sugar policy inoperable, and could severely impair the U.S. sugar industry. Our undertaking is to raise awareness of the serious consequences of these trade agreements to the highest level possible and to move sugar trade to the World Trade Organization level only.

Anti-CAFTA activities of the sugar industry are intense. Regionally, 26,000 signatures were gathered on a petition supporting our position concerning unfair sugar trade. A letter writing campaign, multi-state billboard advertising, media attention, and support from public officials are simultaneously increasing awareness of this matter.

Beyond Today

What's offered by this region's sugar industry is compelling. Together, we are making concerted efforts to sustain our viability as a company, building on strategically important relationships and taking action to assure fair treatment for our industry.

Delivering the Goods

Underlying every noteworthy business performance are numerous stories of how confronting obstacles results in new levels of achievement. This was the case in nearly every sector of American Crystal's business in Fiscal Year 2004.

Crop Marks

Glancing back at the 2003 crop, although most of the 503,000 acres were planted early, the growing season was marked by a cool and wet May that gave way to drought-like conditions by late summer. During pre-harvest, rock-hard soil made beet lifting extremely difficult. September rains improved yield results and benefited lifting conditions, making for a bumper crop and expeditious harvest.

With cooperation from the weather, including a bitter January cold snap, in conjunction with the skills of our storage experts, the sizable crop stored well — preserving beet quality and minimizing pile losses.

Productive Expertise

Our factories processed beets for an average of 259 days from September 2003 through mid-May 2004. The average slice rate of 35,100 tons of beets per day, while impressive, was restrained by the high sugar content of the beets flowing through the factories. However, new records for total sugar production and daily sugar production were reached during this effort.

The high volumes of products tested our packaging and warehousing capabilities. Although we overcame each challenge, due credit belongs to our inventive workforce along with our marketing partners, United Sugars and Midwest Agri-Commodities, for their successful on-the-job problem solving actions.

Customer Equation

We're acutely aware that everything we work for as an organization comes together when customers go to use our products. For this reason we constantly pursue the most stringent quality assurance measures, reducing customer complaints to historic lows.

Sidney Sugars Incorporated

In its second year under American Crystal's ownership, Sidney Sugars continues as a productive addition. The factory sliced beets for 160 days, producing 2.8 million hundredweight of sugar, which exceeded last year's production by 28 percent. In a related matter, we completed the sale of the idled Hereford, Texas, factory, which we acquired as part of the Sidney transaction, to an organization outside the sugar industry.

Initiating Results

Significant strides in the internal initiatives of our business are contributing to increased productivity. Direct, unfiltered communication with shareholders is central in promoting the use of Gold Standard agriculture practices. Agriculture staff consultations along with publication and Web site support, Close the Gap meetings, and Sugarbeet MBA seminars all contribute to advancing sugarbeet production.

Steady-state manufacturing is the goal of our 8-year factory automation project. Now in its fourth year, this technology is creating better production controls and new growth opportunities for our operating personnel. From an equipment reliability perspective, during the last 5-year period, our factories have increased their combined maintenance excellence assessment score by 62 percent.

Through our safety efforts, while concentrating on the well-being of employees, we achieved the lowest lost time incident level in the last decade. The Hillsboro factory recorded 346 days without a lost time injury while the Moorhead packaging area has surpassed a full year and counting.

Sweet Indulgence — There's a definable connection that occurs when the right taste combines with the right people under the right circumstances. The outcome can be decidedly delicious and delightfully playful.

Better Than Ever

Food for Thought

We believe accelerating what we do as a company along with aligning the economic importance of the sugar industry and the favorable qualities of our all-natural sugar products will provide momentum for our business.

Capital Improvements

Investments in beet receiving and storage assets to lower more pile heights to 20 feet continue to pay dividends. This summer we expanded the storage slabs at the Oslo and Drayton factory yard piling sites. Included in these projects was a new 48-inch piler at Oslo.

Productivity gains from key capital projects remain a core strategy. At our Hillsboro factory, sugar end upgrades and additional rail tracks will increase crystallization performance and optimize railcar loading activities, respectively. At our East Grand Forks factory we replaced aging assets with next-to-new crystallizers to enhance crystallizing operations.

We believe in being an environmentally and socially responsible organization. We installed a new $3 million wastewater pond and cover at our East Grand Fork factory similar to the one installed at our Moorhead factory a year earlier. These investments eliminate wastewater pond odors and help us maintain regulatory compliance. Not as favorable with our plant communities has been our request for review of our property tax assessments. Although we believe this is a fair, upstanding request, the counties where we operate differ. Our aim is to resolve these matters with the utmost diplomacy and equality.

2004 Growing Season

Throughout the Red River Valley the 2004 crop got off to an excellent start with more than 90 percent of the 500,000 acre crop being planted by May 5. A range of May weather events necessitated replanting of 22,000 acres. After a cool and damp growing season, a below average crop was expected. Then warm weather in late September and early October increased crop results to near average levels.

Consuming Vision

To promote the positive aspects of our product the beet sugar sector of the industry is mounting an image campaign to thrust the fat-free, all-natural, 15-calories-per-teaspoon virtues of sugar into the public spotlight. This is an important undertaking as our product category has grappled with declining consumption due to slower economic growth and rising imports of sugar-containing products. It is also a premium opportunity to separate "real sugar" from other sweeteners as well as discredit associated myths linking sugar to obesity.

Vital Actions

Clearly, we are working on many fronts to make each and every customer feel good about our products. At the same time we are going to great lengths to protect the viability of our company and our industry. We recognize these are ambitious goals. Yet, for those of us who really care about sugar, the rewards justify the means.

Sincerely,

Robert D. Vivatson
Chairman, Board of Directors

James J. Horvath
President and Chief Executive Officer

Management's Report on the Consolidated Financial Statements

The management of American Crystal Sugar Company is responsible for the preparation, integrity and fair presentation of the accompanying consolidated financial statements and related information contained in this Annual Report. The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America. Where necessary, the Company makes informed judgments and estimates of the outcomes of events and transactions, with due consideration given to materiality. The financial information appearing throughout this Annual Report is consistent with that in the financial statements.

The Company has established an environment that fosters strong controls and has designed a system of internal controls to ensure, within reasonable limits, that assets are safeguarded, that transactions are properly recorded and executed in accordance with management's authorization, and that the accounting records provide a solid foundation from which to prepare the consolidated financial statements. Although no system of internal controls can detect and prevent all errors or irregularities, we believe that the established system provides an acceptable balance between benefits to be gained and their related costs.

The Company's consolidated financial statements have been audited by independent auditors, Eide Bailly LLP, who were given unrestricted access to all financial records and related data. As part of their audit of the consolidated financial statements, the Company's independent auditors review and assess the effectiveness of selected internal accounting controls to establish a basis for reliance thereon in determining the nature, timing and extent of audit tests to be applied.

The Audit Committee of the Board of Directors meets with the independent auditors and management periodically to review their respective activities and to provide oversight to the Company's accounting policies, internal controls and the financial reporting process. The independent auditors have free access to the Board of Directors and its Audit Committee, with or without management present, to discuss the scope and results of their audits and the adequacy of the system of internal controls.

James J. Horvath,
President and Chief Executive Officer

Joseph J. Talley,
Vice President - Finance and
Chief Financial Officer

Management's Discussion of Operations

Revenue for the year ended August 31, 2004, was $1.0 billion, an increase of $203.8 million from 2003. Revenue from total sugar sales increased 24.1 percent due to a 25.0 percent increase in the hundredweight sold partially offset by a 0.7 percent decrease in the average selling price per hundredweight. Revenue from pulp sales increased 20.9 percent due to a 17.1 percent increase in the volume of pulp tons sold and a 3.2 percent increase in the average selling price per ton. Revenue from molasses sales increased 35.3 percent due to a 41.5 percent increase in the volume of molasses sold, partially offset by a 4.4 percent decrease in the average selling price per ton. The increases in the volume of products sold were due primarily to the additional sales associated with the larger crop in the Red River Valley and a full year of production at the Sidney, Montana, factory. Revenue from sales of Concentrated Separated By-Product (CSB), a by-product of the molasses desugarization process, decreased 11.2 percent due to a 20.8 percent decrease in the average selling price per ton, partially offset by a 12.1 percent increase in the volume of CSB sold. Rental revenue on the ProGold Limited Liability Company (ProGold) operating lease was $25.8 million as compared to $8.6 million last year. This difference was the result of the consolidation of ProGold which commenced on May 1, 2003.

Cost of sales for the year ended August 31, 2004, exclusive of payments to members for sugarbeets, increased $47.5 million as compared to fiscal 2003. The cost recognized associated with the non-member sugarbeets (Sidney crop) was $44.9 million for the year ended August 31, 2004, an increase of $13.2 million as compared to the prior year. This increase was primarily due to a 32.6 percent increase in the tons of sugarbeets purchased. Direct processing costs for sugar and pulp increased 15.3 percent. This was primarily the result of harvesting 15.8 percent more and processing 16.4 percent more sugarbeets than in fiscal 2003. Higher natural gas prices, increased coal costs and higher labor costs also added to this increase. Fixed and committed expenses increased 7.0 percent reflecting higher labor and benefit costs, increased maintenance costs and costs related to a full year of operations of the Sidney, Montana, factory. The change in the net realizable value of product inventories impacted the cost of product sold unfavorably by $16.5 million. The costs associated with sugar purchased to meet customer needs decreased $13.1 million due to the normal commencement of the 2003 Red River Valley crop campaign. The 2002 Red River Valley crop campaign startup was delayed because of adverse planting and growing conditions which slowed the maturity of the crop. As a result, additional sugar was required to be purchased to service customers during this delay. Costs related to ProGold were $12.0 million as compared to $4.0 million last year. This difference was the result of the consolidation of ProGold which commenced on May 1, 2003.

Selling, general and administrative expenses increased $36.7 million from 2003. Selling expenses increased $32.1 million primarily due to the increases in the volume of products sold. General and Administrative expenses increased $4.6 million due in part to higher employee benefit costs, increased industry membership activity and general cost increases.

Interest income decreased $1.4 million from last year primarily due to the conversion of the Note Receivable from Crystech, LLC into Preferred Equity, which occurred at the end of fiscal 2003.

Interest expense increased $3.3 million from last year. This was the result of the consolidation of ProGold along with an increased average borrowing level for short-term debt, partially offset by lower long-term and short-term interest rates and a lower average borrowing level for long-term debt.

Non-member business activities resulted in a gain of $4.2 million in 2004, as compared to a gain of $5.8 million in 2003. The gain in both years was due primarily to activities related to Sidney Sugars.

Payments to members for sugarbeets, net of unit retains declared, increased by $100.3 million from $338.6 million in 2003 to $438.9 million in 2004. This was primarily due to the increased size and quality of the crop processed in 2004.

Report of Independent Registered Public Accounting Firm

To the Audit Committee of
American Crystal Sugar Company
Moorhead, Minnesota

We have audited the accompanying consolidated balance sheets of American Crystal Sugar Company (a Minnesota cooperative corporation) as of August 31, 2004 and 2003, and the related consolidated statements of operations, changes in members' investments and cash flows for the years ended August 31, 2004, 2003 and 2002. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of American Crystal Sugar Company and subsidiaries as of August 31, 2004 and 2003, and the results of their operations and their cash flows for the years ended August 31, 2004, 2003 and 2002, in conformity with accounting principles generally accepted in the United States of America.

Eide Bailly LLP

Eide Bailly LLP
Sioux Falls, South Dakota
October 5, 2004

Consolidated Statements of Operations

For the Years Ended August 31 (In Thousands)	2004	2003	2002
Net Revenue	$ 1,033,088	$ 829,246	$ 775,288
Cost of Sales	538,368	290,831	206,789
Gross Proceeds	694,720	538,415	568,499
Selling, General and Administrative Expenses	199,934	163,280	159,376
Operating Proceeds	494,786	375,135	409,123
Other Income (Expense):			
Interest Income	169	1,520	2,009
Interest Expense, Net	(20,149)	(16,871)	(14,578)
Other, Net	2,097	3,334	2,098
Total Other (Expense)	(17,883)	(12,017)	(10,471)
Proceeds Before Minority Interest and Income Tax Expense	476,903	363,118	398,652
Minority Interest	(3,593)	(1,142)	—
Income Tax Expense	(188)	(74)	(64)
Net Proceeds Resulting from Member and Non-Member Business	$ 473,122	$ 361,902	$ 398,588
Distributions of Net Proceeds:			
Credited (Charged) to Members' Investments:			
Non-Member Business Income (Loss)	$ 4,240	$ 5,799	$ (733)
Equity Retention Declared to Members	—	—	1,177
Unit Retains Declared to Members	29,991	17,486	24,154
Net Credit to Members' Investments	34,231	23,285	24,598
Payments to Members for PIK Certificates, Net of Equity Retention Declared	—	—	22,320
Payments to Members for Sugarbeets, Net of Unit Retains Declared	438,891	338,617	351,670
Total	$ 473,122	$ 361,902	$ 398,588

The Accompanying Notes are an Integral Part of These Consolidated Financial Statements.

Consolidated Balance Sheets

Assets
August 31 (In Thousands)

	2004	2003
Current Assets:		
Cash and Cash Equivalents	$ 184	$ 859
Receivables:		
Trade	79,185	64,056
Members	5,105	3,993
Other	4,085	4,403
Advances to Related Parties	13,199	4,891
Inventories	129,285	130,981
Prepaid Expenses	4,846	7,062
Total Current Assets	235,889	216,245
Property and Equipment:		
Land	43,195	39,393
Buildings	93,988	90,181
Equipment	809,775	794,416
Construction in Progress	3,118	4,989
Less Accumulated Depreciation	(619,534)	(586,167)
Net Property and Equipment	330,542	342,812
Net Property and Equipment Held for Lease	160,643	170,656
Other Assets:		
Investments in CoBank, ACB	19,069	21,685
Investments in Marketing Cooperatives	4,487	6,166
Investments in Crystech, LLC	15,353	15,330
Other Assets	56,343	36,857
Total Other Assets	95,252	80,038
Total Assets	$ 822,326	$ 809,751

The Accompanying Notes are an Integral Part of These Consolidated Financial Statements.

Consolidated Balance Sheets

Liabilities and Members' Investments
August 31 (In Thousands)

	2004	2003
Current Liabilities:		
Short-Term Debt	$ 30,199	$ 49,989
Current Maturities of Long-Term Debt	20,932	11,282
Accounts Payable	27,336	23,192
Advances Due to Related Parties	8,035	4,604
Other Current Liabilities	20,227	18,710
Amounts Due Growers	70,487	58,896
Total Current Liabilities	177,216	166,673
Long-Term Debt, Net of Current Maturities	250,086	286,922
Accrued Employee Benefits	33,959	31,053
Other Liabilities	10,297	10,988
Total Liabilities	471,538	495,636
Commitments and Contingencies (See Note 18)		
Minority Interest in ProGold Limited Liability Company	47,362	43,769
Members' Investments:		
Preferred Stock	38,275	38,275
Common Stock	29	30
Additional Paid-In Capital	152,261	148,238
Unit Retains	138,714	125,409
Equity Retention	2,708	2,719
Accumulated Other Comprehensive Income (Loss)	(376)	(11,900)
Retained Earnings (Accumulated Deficit)	(28,185)	(32,425)
Total Members' Investments	303,426	270,346
Total Liabilities and Members' Investments	$ 822,326	$ 809,751

The Accompanying Notes are an Integral Part of These Consolidated Financial Statements.

Consolidated Statements of Changes in Members' Investments

For the Years Ended August 31 (In Thousands)	Preferred Stock	Common Stock	Additional Paid-In Capital	Unit Retains	Equity Retention	Accumulated Other Comprehensive Income (Loss)	Retained Earnings (Accumulated Deficit)	Total	Annual Comprehensive Income (Loss)
Balance, August 31, 2001	$ 38,275	$ 31	$ 137,241	$ 116,480	$ 1,560	$ (436)	$ (37,491)	$ 255,660	
Non-Member Business (Loss)	—	—	—	—	—	—	(733)	(733)	$ (733)
Pension Liability Adjustment	—	—	—	—	—	(881)	—	(881)	(881)
Unit Retains Withheld from Members	—	—	—	24,154	—	—	—	24,154	—
Equity Retention	—	—	—	—	1,177	—	—	1,177	—
Payments of Unit Retains and Equity Retention to Members	—	—	—	(16,533)	(4)	—	—	(16,537)	—
Stock Issued, Net	—	(1)	5,828	—	—	—	—	5,827	—
Balance, August 31, 2002	38,275	30	143,069	124,101	2,733	(1,317)	(38,224)	268,667	$ (1,614)
Non-Member Business Income	—	—	—	—	—	—	5,799	5,799	$ 5,799
Pension Liability Adjustment	—	—	—	—	—	(10,583)	—	(10,583)	(10,583)
Unit Retains Withheld from Members	—	—	—	17,486	—	—	—	17,486	—
Payments of Unit Retains and Equity Retention to Members	—	—	—	(16,178)	(14)	—	—	(16,192)	—
Stock Issued, Net	—	—	5,169	—	—	—	—	5,169	—
Balance, August 31, 2003	38,275	30	148,238	125,409	2,719	(11,900)	(32,425)	270,346	$ (4,784)
Non-Member Business Income	—	—	—	—	—	—	4,240	4,240	$ 4,240
Pension Liability Adjustment	—	—	—	—	—	11,524	—	11,524	11,524
Unit Retains Withheld from Members	—	—	—	29,991	—	—	—	29,991	—
Payments of Unit Retains and Equity Retention to Members	—	—	—	(16,686)	(11)	—	—	(16,697)	—
Stock Issued, Net	—	(1)	4,023	—	—	—	—	4,022	—
Balance, August 31, 2004	$ 38,275	$ 29	$ 152,261	$ 138,714	$ 2,708	$ (376)	$ (28,185)	$ 303,426	$ 15,764

The Accompanying Notes are an Integral Part of These Consolidated Financial Statements.

Consolidated Statements of Cash Flows

For the Years Ended August 31 (In Thousands)	2004	2003	2002
Cash Provided By (Used In) Operating Activities:			
Net Proceeds Resulting from Member and Non-Member Business	$ 473,122	$ 361,902	$ 398,588
Payments To/Due Members for Sugarbeets, Net of Unit Retains Declared	(438,891)	(338,617)	(351,670)
Payments To/Due Members for PIK Certificates, Net of Equity Retention Declared	—	—	(22,320)
Add (Deduct) Non-Cash Items:			
Depreciation and Amortization	56,635	48,354	40,389
Income from Equity Method Investees	(286)	(4,873)	(2,828)
Loss on the Disposition of Property and Equipment	749	485	839
Non-Cash Portion of Patronage Dividend from CoBank, ACB	(542)	(276)	(437)
Gain on the Disposition of Assets Held for Sale	(1,341)	—	—
Deferred Gain Recognition	(197)	(197)	(197)
Minority Interest in ProGold Limited Liability Company	3,593	1,142	—
Changes in Assets and Liabilities:			
Receivables	(15,923)	(4,129)	5,921
Inventories	1,965	(14,418)	(11,387)
Prepaid Expenses	2,216	(1,233)	(2,546)
Long-Term Prepaid Pension Expense	(11,196)	(10,272)	(5,668)
Advances To/Due to Related Parties	(4,877)	7,957	3,112
Accounts Payable	3,994	5,017	(1,612)
Other Liabilities	3,045	6,589	1,153
Amounts Due Growers	11,591	(20,350)	(3,520)
Net Cash Provided By Operating Activities	83,857	37,081	47,817
Cash Provided By (Used In) Investing Activities:			
Purchases of Property and Equipment	(30,045)	(30,967)	(16,258)
Purchases of Property and Equipment Held for Lease	(1,119)	(400)	—
Proceeds from the Sale of Property and Equipment	68	51	138
Proceeds from the Disposition of Assets Held for Sale	1,655	—	—
Equity Distribution from Crystech, LLC	1,044	1,044	—
Equity Refund from CoBank, ACB	3,158	2,816	683
Investments in Marketing Cooperatives	1,068	(2,093)	—
Acquisition of Equity Interest in ProGold Limited Liability Company, Net of Cash Acquired	—	(9,766)	—
Acquisition by Sidney Sugars Incorporated	—	(35,184)	—
Acquisition by Crab Creek Sugar Company	(5,763)	—	—
Changes in Other Assets	5,055	1	(517)
Net Cash (Used In) Investing Activities	(24,861)	(74,498)	(15,954)
Cash Provided By (Used In) Financing Activities:			
Net Proceeds from (Payments on) Short-Term Debt	(19,790)	42,989	(6,963)
Proceeds from Issuance of Long-Term Debt	—	31,000	—
Long-Term Debt Repayment	(27,186)	(24,712)	(20,070)
Proceeds from Issuance of Stock	4,022	5,169	5,827
Payment of Unit Retains and Equity Retention	(16,697)	(16,192)	(16,537)
Net Cash Provided By (Used In) Financing Activities	(59,651)	38,254	(37,743)
Increase (Decrease) In Cash and Cash Equivalents	(675)	837	(5,880)
Cash and Cash Equivalents, Beginning of Year	859	22	5,902
Cash and Cash Equivalents, End of Year	$ 184	$ 859	$ 22

Non-Cash Investing and Financing Activities: In September 2003, a note payable in the amount of $969,000 was issued in connection with the acquisition by Crab Creek Sugar Company.

The Accompanying Notes are an Integral Part of These Consolidated Financial Statements.

Notes to the Consolidated Financial Statements

(1) PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES:

Organization

American Crystal Sugar Company (the Company) is a Minnesota agricultural cooperative corporation which processes and markets sugar, sugarbeet pulp, molasses, concentrated separated by-product (CSB) and seed. Business done with its shareholders (members) constitutes "patronage business" as defined by the Internal Revenue Code, and the net proceeds therefrom are credited to members' investments in the form of unit retains or distributed to members in the form of payments for sugarbeets. Members are paid the net amounts realized from the current year's production less member operating costs determined in conformity with accounting principles generally accepted in the United States of America.

Basis of Presentation

The Company's consolidated financial statements are comprised of American Crystal Sugar Company, its wholly-owned subsidiaries Sidney Sugars Incorporated (Sidney Sugars) and Crab Creek Sugar Company (Crab Creek), and ProGold Limited Liability Company (ProGold), a limited liability company in which the Company holds a 51 percent ownership interest.

Sidney Sugars was formed in fiscal 2003 under the laws of the State of Minnesota, and on October 7, 2002, acquired three sugarbeet processing facilities and the related marketing allocations associated with such facilities (See Note 11). Activities associated with Sidney Sugars are considered non-member business.

Crab Creek was formed in fiscal 2003 under the laws of the State of Minnesota, and on September 8, 2003, acquired the control of a sugarbeet processing facility and the related marketing allocations associated with such facility (See Note 12).

Effective May 1, 2003, the Company acquired an additional five percent ownership interest in ProGold resulting in an increase in the Company's ownership in ProGold to 51 percent. Due to the Company's resulting controlling ownership interest in ProGold, the Company began to consolidate ProGold in its financial statements as of May 1, 2003. The financial statements for prior periods have not been restated and therefore do not include consolidated data pertaining to ProGold prior to May 1, 2003.

All material inter-company transactions have been eliminated.

Revenue Recognition

Revenue from the sale of sugar, agri-products and seed is recorded when the product is shipped to the customer. Operating lease revenue is recognized as earned ratably over the term of the lease.

Operating Lease

ProGold owns a corn wet milling facility which it leases under an operating lease. Payments are to be received monthly under the lease, which runs through December 31, 2007. The lease contains provisions for extension or modification of the lease terms at the end of the lease period. The lease also contains provisions for increased payments to be received during the lease period related to the facility's profitability and capital additions.

Cash and Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Company places its temporary cash investments with high credit quality financial institutions. At times, such investments may be in excess of the applicable insurance limit.

Accounts Receivable and Credit Policies

The Company grants credit, individually and through its marketing cooperatives, to its customers, which are primarily companies in the food processing industry located throughout the United States.

Trade receivables are uncollateralized customer obligations due under normal trade terms requiring payment within 15 to 90 days from the invoice date. The receivables are non-interest bearing. Trade receivables are stated at the amount billed to the customer. Payments of trade receivables are allocated to the specific invoices identified on the customer's remittance advice or, if unspecified, are applied to the earliest unpaid invoices.

Ongoing credit evaluations of customers' financial condition are performed and the Company maintains a reserve for potential credit losses. The carrying amount of trade receivables is reduced by a valuation allowance that reflects the Company's best estimate of the amounts that will not be collected.

Inventories

Sugar, pulp, molasses and other agri-products inventories are valued at estimated net realizable value. Maintenance parts and supplies and sugarbeet seed inventories are valued at the lower of average cost or market. Sugarbeets are valued at the projected gross per-ton beet payment related to that year's crop.

Net Property and Equipment

Property and equipment are recorded at cost. Indirect costs and construction period interest are capitalized as a component of the cost of qualified assets. Property and equipment are depreciated for financial reporting purposes principally using straight-line methods with estimated useful lives ranging from 3 to 45 years.

Net Property and Equipment Held for Lease

Net property and equipment held for lease are stated at cost. Depreciation on assets placed in service is provided using the straight-line method over the estimated useful lives of the individual assets, ranging from 5 to 40 years.

Impairment of Long Lived Assets

The Company reviews its long lived assets for impairment whenever events indicate that the carrying amount of the asset may not be recoverable. An impairment loss is recorded when the sum of the future cash flows is less than the carrying amount of the asset. An impairment loss is measured as the amount by which the carrying amount of the asset exceeds its fair value. There were no impairment losses incurred during the year.

Related Parties

The following organizations are considered related parties for financial reporting purposes: United Sugars Corporation (United); Midwest Agri-Commodities Company (Midwest); and Crystech, LLC (Crystech).

Investments

Investments in CoBank, ACB are stated at cost plus unredeemed patronage refunds received in the form of capital stock. Investments in marketing cooperatives and Crystech are accounted for using the equity method.

Members' Investments

Preferred and Common Stock — The ownership of common and preferred stock is restricted to a "farm operator" as defined by the bylaws of the Company. Each shareholder may own only one share of common stock and is entitled to one vote in the affairs of the Company. Each shareholder is required to grow a specified number of acres of sugarbeets in proportion to the shares of preferred stock owned. The preferred shares are non-voting. All transfers of stock must be approved by the Company's Board of Directors and any shareholder desiring to sell stock must first offer it to the Company for repurchase at its par value. The Company has never exercised this repurchase option. The bylaws do not allow dividends to be paid on either the common or preferred stock.

Unit Retains — The bylaws authorize the Company's Board of Directors to require additional direct capital investments by members in the form of a variable unit retain per ton of up to a maximum of 10 percent of the weighted average gross per ton beet payment. All refunds and retirements of unit retains must be approved by the Board of Directors.

Equity Retention — The Payment-In-Kind (PIK) Certificate Purchase Agreement authorizes the Company to require additional direct capital investments by members participating in the PIK program. The amount of the equity contribution is calculated per hundredweight of PIK certificates and is approximately equivalent (on a Company-wide average basis) to the unit retain declared by the Company on the corresponding year's sugarbeet crop. All refunds and retirements of equity retains must be approved by the Board of Directors.

Accumulated Other Comprehensive Income (Loss) — Accumulated Other Comprehensive Income (Loss) represents the cumulative net increase (decrease) in equity related to the recording of the minimum pension liability adjustment. Consistent with the Company's treatment of income taxes related to member-source income and expenses, accumulated other comprehensive income (loss) does not include any adjustment for income taxes.

Retained Earnings (Accumulated Deficit) — Retained earnings represents the cumulative net income (loss) resulting from non-member business and, for years prior to 1996, the difference between member income as determined for financial reporting purposes and for federal income tax reporting purposes.

Interest Expense, Net

The Company earns patronage dividends from CoBank, ACB based on the Company's share of the net income earned by CoBank, ACB. These patronage dividends are applied against interest expense.

Income Taxes

The Company is a non-exempt cooperative for federal income tax purposes. As such, the Company is subject to corporate income taxes on its net income from non-member sources. The provision for income taxes relates to the results of operations from non-member business, state income taxes and certain other permanent differences between financial and income tax reporting. The Company also has various temporary differences between financial and income tax reporting, most notably of which is depreciation.

Deferred tax assets, less any applicable valuation allowance, and deferred tax liabilities are included in the financial statements at currently enacted income tax rates applicable to the period in which the deferred tax assets and liabilities are expected to be realized or settled.

Accounting Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Business Risk

The financial results of the Company's operations may be directly and materially affected by many factors, including prevailing prices of sugar and agri-products, the Company's ability to market its sugar competitively, the weather, government programs and regulations, and costs and expenses.

Recently Issued Accounting Pronouncements

The Financial Accounting Standards Board has issued an amendment to Financial Accounting Standards No. 132, Employer's Disclosure about Pensions and Other Post-Retirement Benefits. Such amendment requires additional disclosures to interim and annual financial statements but does not change the recognition requirements related to pensions and post-retirement benefits. This amendment became effective for the interim period ending May 31, 2004.

The Financial Accounting Standards Board (FASB) has issued FASB Staff Position (FSP) FAS-106-2, which provides accounting guidance related to the Medicare Prescription Drug, Improvement, and Modernization Act of 2003. This FSP becomes effective for the Company on September 1, 2004. The Company has a post-retirement plan for certain non-union employees that currently coordinates with Medicare's medical coverage and provides tiered prescription drug coverage. The Company has initially determined that the plan is not actuarially equivalent to Medicare Part D and therefore expects that the application of this FSP will have no material effect on the amounts recorded for post-retirement benefits.

Shipping and Handling Costs

The costs incurred for the shipping and handling of products sold are classified in the financial statements as a selling expense on the Statements of Operations. Shipping and handling costs were $127.8 million, $100.2 million and $96.9 million for the years ended August 31, 2004, 2003 and 2002, respectively.

Reclassifications

Certain reclassifications have been made to the 2003 and 2002 financial statements to conform with the 2004 presentation. These reclassifications had no effect on previously reported results of operations or Members' Investments.

(2) RECEIVABLES:

The Company did not have any customer that accounted for 10 percent or more of total receivables as of August 31, 2004 or 2003.

(3) INVENTORIES:

The major components of inventories as of August 31, 2004 and 2003 are as follows:

(In Thousands)	2004	2003
Refined Sugar, Pulp, Molasses, Other Agri-Products and Sugarbeet Seed	$ 107,812	$ 111,259
Maintenance Parts and Supplies	21,473	19,722
Total Inventories	$ 129,285	$ 130,981

(4) NET PROPERTY AND EQUIPMENT:

Indirect costs capitalized were $1.1 million, $1.0 million and $ .7 million in 2004, 2003 and 2002, respectively. Construction period interest capitalized was $ .3 million, $ .3 million and $ .1 million in 2004, 2003 and 2002, respectively. Depreciation expense was $51.6 million, $44.0 million and $38.9 million in 2004, 2003 and 2002, respectively. The Company had outstanding commitments totaling $3.6 million as of August 31, 2004, for equipment and construction contracts related to various capital projects.

(5) NET PROPERTY AND EQUIPMENT HELD FOR LEASE:

ProGold owns a corn wet-milling facility that it leases under an operating lease which runs through December 31, 2007. Under the terms of the operating lease, the lessee manages all aspects of the operations of the ProGold corn wet-milling facility.

Net Property and Equipment Held for Lease are stated at cost, net of accumulated depreciation. The components of Net Property and Equipment Held for Lease as of August 31, 2004 and 2003 are shown below:

(In Thousands)	2004	2003
Land and Land Improvements	$ 7,795	$ 7,762
Buildings	40,919	40,855
Equipment	199,261	198,266
Construction in Progress	319	464
Less Accumulated Depreciation	(87,651)	(76,691)
Net Property and Equipment Held for Lease	$ 160,643	$ 170,656

Future minimum payments to be received under the lease are as follows:

Fiscal year ending August 31, (In Thousands)	
2005	$ 23,452
2006	23,452
2007	23,452
2008	8,093
Total	$ 78,449

(6) INVESTMENTS IN MARKETING COOPERATIVES:

The Company has a 59 percent ownership interest and a 25 percent voting interest in United. The investment is accounted for using the equity method. All sugar products produced are sold by United as an agent for the Company. The amount of sales and related costs to be recognized by each owner of United is allocated based on its pro rata share of sugar production for the year. The owners provide United with cash advances on an ongoing basis for operating and marketing expenses incurred by United. The Company had outstanding advances to United of $12.6 million and $4.5 million as of August 31, 2004 and 2003, respectively. The Company provides administrative services for United and is reimbursed for costs incurred. The Company was reimbursed $1.0 million, $1.0 million and $1.3 million for services provided during 2004, 2003 and 2002, respectively.

The Company has a 55 percent ownership interest and a 25 percent voting interest in Midwest. The investment is accounted for using the equity method. Substantially all sugarbeet pulp, molasses and other agri-products produced are sold by Midwest as an agent for the Company. The amount of sales and related costs to be recognized by each owner of Midwest is allocated based on its pro rata share of production for each product for the year. The owners provide Midwest with cash advances on an ongoing basis for operating and marketing expenses incurred by Midwest. The Company had outstanding advances (from) Midwest of $(4.4) million and $(1.4) million as of August 31, 2004 and 2003, respectively. The Company provides administrative services for Midwest and is reimbursed for costs incurred. The Company was reimbursed $12,000, $13,000 and $13,000 for services provided during 2004, 2003 and 2002, respectively. The owners of Midwest are guarantors of the short-term line of credit Midwest has with CoBank, ACB. As of August 31, 2004, Midwest had outstanding short-term debt with CoBank, ACB of $4.0 million, of which $1.4 million was guaranteed by the Company.

(7) CRYSTECH, LLC:

Crystech is a special purpose entity that operates a molasses desugarization facility at the Company's Hillsboro, North Dakota, sugar factory together with certain sugar processing equipment located at the Hillsboro, North Dakota, and Moorhead, Minnesota, sugar factories. The Company controls 50 percent of Crystech and accounts for its investment using the equity method.

The Company has a 12-year tolling services agreement with Crystech whereby the Company pays for tolling services for processing sugarbeet molasses delivered to Crystech with title and risk of loss throughout the process maintained by the Company. The tolling agreement may be terminated by the Company if the specified plant performance is not achieved and maintained.

During fiscal 2003, the $13.9 million of outstanding notes receivable issued to the Company from Crystech were converted into Preferred Equity. On a cumulative basis, the Company receives an annual allocation of Crystech's net income equal to 7.5 percent of the initial value of the Preferred Equity contribution or approximately $1.0 million. Interest income related to the previously outstanding notes totaled approximately $1.0 million in 2003 and 2002. The Company also had outstanding payables to Crystech of approximately $3.5 million and $3.2 million as of August 31, 2004 and 2003, respectively, related to the tolling services agreement. Following is summary financial information for Crystech:

As of August 31, (In Thousands)	2004	2003
Current Assets	$ 3,542	$ 3,286
Long-Term Assets	43,844	56,293
Total Assets	$ 47,386	$ 59,579
Current Liabilities	$ 9,415	$ 9,222
Long-Term Liabilities	21,301	33,787
Total Liabilities	30,716	43,009
Members' Equity	16,670	16,570
Total Liabilities and Members' Equity	$ 47,386	$ 59,579

For the Years Ended August 31, (In Thousands)	2004	2003	2002
Revenue	$ 21,261	$ 23,070	$ 22,519
Operating Expenses	16,911	16,890	16,812
Other Expenses	3,206	5,036	5,937
Net Income (Loss)	$ 1,144	$ 1,144	$ (230)

(8) LONG-TERM AND SHORT-TERM DEBT:

The long-term debt outstanding as of August 31, 2004 and 2003 is summarized below:

(In Thousands)	2004	2003
Term Loans from CoBank, ACB, due in varying amounts through 2008, interest at fixed rates of 2.36% to 8.57%, with senior lien on substantially all non-current assets	$ 156,293	$ 181,800
Term Loans from Insurance Companies, due in varying amounts from 2010 through 2028, interest at fixed rates of 4.78% to 7.42%, with senior lien on substantially all non-current assets	65,714	68,333
Pollution Control and Industrial Development Revenue Bonds, due in varying amounts through 2018, interest at fixed rates of 3.90% to 5.40% and a varying rate of 1.64% as of August 31, 2004, substantially secured by letters of credit	43,011	43,271
Term Loan from the Bank of North Dakota, due in equal amounts through 2009, interest at fixed rates of 3.30% and 6.34%, unsecured	4,000	4,800
Total Long-Term Debt	271,018	298,204
Less Current Maturities	(20,932)	(11,282)
Long-Term Debt, Net of Current Maturities	$ 250,086	$ 286,922

Minimum annual principal payments for the next five years are as follows:

(In Thousands)	
2005	$ 20,932
2006	$ 25,447
2007	$ 32,962
2008	$ 74,477
2009	$ 20,992

As of August 31, 2004, the unused portion of the term loan line of credit with CoBank, ACB, was $42.3 million.

The short-term debt outstanding as of August 31, 2004 and 2003 is summarized below:

(In Thousands)	2004	2003
Commercial Paper, at a fixed interest rate of 1.74%, due 9/1/04	$ 30,199	$ 49,989

During the year ended August 31, 2004, the Company borrowed from CoBank, ACB, the Commodity Credit Corporation and issued commercial paper to meet its short-term borrowing requirements. As of August 31, 2004, the Company had available short-term lines of credit totaling $259.9 million.

Maximum borrowings, average borrowing levels and average interest rates for short-term debt for the years ended August 31, 2004 and 2003, follow:

(In Thousands, Except Interest Rates)	2004	2003
Maximum Borrowings	$ 257,102	$ 195,433
Average Borrowing Levels	$ 146,141	$ 113,142
Average Interest Rates	1.49%	1.84%

The terms of the loan agreements contain prepayment penalties along with certain covenants related to, among other matters, the level of working capital; ratio of term liabilities to members' investment; current ratio; level of term debt to net funds generated; and investment in CoBank, ACB stock in amounts prescribed by the bank. Substantially all non-current assets are pledged to the senior lenders to provide security to support the Company's seasonal and long-term financing. As of August 31, 2004, the Company was in compliance with the terms of the loan agreements.

Interest paid, net of amounts capitalized, was $21.1 million, $17.3 million and $15.0 million for the years ended August 31, 2004, 2003 and 2002, respectively.

The Company had outstanding letters of credit totaling $47.9 million as of August 31, 2004.

(9) EMPLOYEE BENEFIT PLANS:

Company-Sponsored Defined Benefit Pension and Other Post-Retirement Benefit Plans

Substantially all employees who meet eligibility requirements of age and length of service are covered by a Company-sponsored retirement plan. As of August 31, 2004, the pension plans were funded as required by the funding standards set forth by the Employee Retirement Income Security Act (ERISA). The Company also has a non-qualified supplemental executive retirement plan for certain employees.

The following schedule reflects the percentage of pension plan assets by asset class as of the latest measurement date, May 31, 2004:

Percentage of Pension Plan Assets by Asset Class as of May 31, 2004

Asset Class	Target Range	Actual Allocation
Large U.S. Stocks	30.0%–40.0%	31.9%
Small U.S. Stocks	17.5%–27.5%	21.2%
Non-U.S. Stocks	17.5%–27.5%	24.0%
U.S. Bonds	15.0%–35.0%	22.9%
Cash	0.0%–5.0%	0.0%

The Investment Committee has the responsibility of managing the operations and administration of American Crystal Sugar Company's retirement plans and trust. The Investment Committee has an investment policy for the pension plan assets that establishes target asset allocations as shown above. The Investment Committee is committed to diversification to reduce the risk of large losses. To that end, the Investment Committee has adopted policies requiring that each asset class will be diversified and equity exposure will be limited to 85% of the total portfolio value. The stated goal is for each component of the plan to earn a rate of return greater than its corresponding benchmark. Progress of the plan against its return objectives will be measured over a full market cycle.

To develop the expected long-term rate of return on assets assumption, the Company considered the historical returns and the future expectations for returns for each asset class, as well as, the target asset allocation of the pension portfolio. This resulted in the selection of the 8.25% long-term rate of return on assets assumption.

The following schedule reflects the expected pension benefit payments during each of the next five years and the aggregate for the following five years:

(In Thousands)	Expected Benefit Payments
2005	$ 4,003
2006	4,238
2007	4,509
2008	4,775
2009	5,040
2010-2014	30,664
Total	$ 53,229

The Company expects to contribute approximately $6.0 million to the pension plans during the next fiscal year.

The Company has a medical plan and a Medicare supplement plan which are available to union retirees and certain non-union retirees. The costs of these plans are shared by the Company and plan participants.

The following schedules provide the components of the Net Periodic Pension and Post-Retirement Costs for the years ended August 31, 2004, 2003 and 2002:

Components of Net Periodic Pension Cost

(In Thousands)	2004	2003	2002
Service Cost	$ 2,772	$ 2,271	$ 1,978
Interest Cost	6,017	5,718	5,407
Expected Return on Plan Assets	(5,960)	(5,416)	(5,773)
Multiple Employer Adjustment	(342)	(96)	(81)
Amortization of Net Transition Assets	(124)	(124)	(300)
Amortization of Prior Service Costs	544	544	501
Amortization of Net Loss	1,999	862	287
Net Periodic Pension Cost	$ 4,906	$ 3,759	$ 1,939

Components of Net Periodic Post-Retirement Cost

(In Thousands)	2004	2003	2002
Service Cost	$ 1,223	$ 814	$ 705
Interest Cost	1,924	1,457	1,312
Amortization of Net (Gain) Loss	498	20	(68)
Net Periodic Post-Retirement Cost	$ 3,645	$ 2,291	$ 1,949

For measurement purposes, an 11.0 percent annual rate of increase in the per capita cost of covered healthcare benefits for participants under age 65 was assumed for 2005. The rate is assumed to decline to 6.0 percent over the next five years. For participants age 65 and older, a 14.0 percent annual rate of increase in the per capita cost of covered healthcare benefits was assumed for 2005. The rate is assumed to decline to 9.0 percent over the next five years.

Assumed healthcare trends can have a significant effect on the amounts reported for healthcare plans. A one percent change in the assumed healthcare trend rates would have the following effects:

(In Thousands)	1% Increase	1% Decrease
Effect on total service and interest cost components of net periodic post-retirement benefit costs	$ 735	$ (525)
Effect on the accumulated post-retirement benefit obligation	$ 5,273	$ (4,244)

The following schedules set forth a reconciliation of the changes in the plans' benefit obligation and fair value of assets for the years ending August 31, 2004 and 2003 and a statement of the funded status and amounts recognized in the Balance Sheets as of August 31, 2004 and 2003:

	Pension		Post-Retirement	
(In Thousands)	2004	2003	2004	2003
Change in Benefit Obligation				
Obligation at the Beginning of the Year	$ 98,979	$ 78,339	$ 31,540	$ 18,556
Service Cost	2,772	2,271	1,223	781
Interest Cost	6,017	5,718	1,924	1,432
Plan Participant Contributions	—	—	712	645
Acquisitions	—	—	—	500
Actuarial (Gain) Loss	(6,801)	16,548	(1,993)	10,597
Benefits Paid	(4,031)	(3,897)	(1,254)	(971)
Obligation at the End of the Year	$ 96,936	$ 98,979	$ 32,152	$ 31,540
Change in Plan Assets				
Fair Value at the Beginning of the Year	$ 73,992	$ 65,771	$ —	$ —
Actual Return on Plan Assets	12,972	(2,906)	—	—
Plan Participant Contributions	—	—	712	645
Employer Contributions	15,174	15,024	542	326
Benefits Paid	(4,031)	(3,897)	(1,254)	(971)
Fair Value at the End of the Year	$ 98,107	$ 73,992	$ —	$ —
Funded Status				
Funded Status as of August 31,	$ 1,171	$ (24,987)	$ (32,152)	$ (31,540)
Unrecognized Net Transition Asset	(21)	(145)	—	—
Unrecognized Actuarial Loss	27,315	43,126	6,680	9,171
Unrecognized Prior Service Cost	1,734	2,279	—	—
Adjustment for Multiple Employer Plan	(6)	(348)	—	—
Net Amount Recognized	$ 30,193	$ 19,925	$ (25,472)	$ (22,369)
Amounts Recognized in the Balance Sheets				
Prepaid Pension Cost	$ 33,688	$ 10,713	$ —	$ —
Accrued Benefit Liability	(3,903)	(3,451)	(25,472)	(22,369)
Intangible Asset	32	763	—	—
Accumulated Other Comprehensive Loss	376	11,900	—	—
Net Amount Recognized	$ 30,193	$ 19,925	$ (25,472)	$ (22,369)

Change in Additional Minimum Liability (for the current year)

	2004
Other Comprehensive Income	$ 11,524
Intangible Asset Decrease	$ (731)
Accrued Pension Liability Decrease	$ 12,255

The assumptions used in the measurement of the Company's benefit obligations are shown below:

Weighted Average Assumptions as of August 31,

	Pension		Post-Retirement	
	2004	2003	2004	2003
Discount Rate	6.84%	6.17%	6.84%	6.17%
Expected Return on Plan Assets	8.25%	8.25%	N/A	N/A
Rate of Compensation Increase (Non-Union Plan Only)	3.5%	3.5%	N/A	N/A

Long-Term Incentive Plan

The Long-Term Incentive Plan provides deferred compensation to certain key executives of the Company. The plan creates financial incentives that are based upon contract rights which are available to the executive under the terms of the plan, the value of which is related to the value of preferred shares of the Company as determined by the Board of Directors. In fiscal 2004, 316.69 contract rights were granted at a stated value of $1,750 per contract right or a total stated value of $554,212. As of August 31, 2004, there were 1,673.3 rights, at a stated value of $2.9 million, issued and outstanding, 1,089.69 of which were vested.

Defined Contribution Plans

The Company has qualified 401(k) plans for all eligible employees. The plans provide for immediate vesting of benefits. Participants may contribute a percentage of their gross earnings each pay period as provided in the participation agreement. The Company matches the non-union and eligible union year-round participants' contributions up to 4 percent and 2 percent respectively, of their gross earnings. The Company's contributions to these plans totaled $1.6 million, $1.6 million and $1.5 million for the years ended August 31, 2004, 2003 and 2002, respectively.

(10) MEMBERS' INVESTMENTS:

The following schedule details the Preferred Stock and Common Stock as of August 31, 2004, 2003 and 2002:

	Par Value	Shares Authorized	Shares Issued & Outstanding
Preferred Stock:			
August 31, 2004	$76.77	600,000	498,570
August 31, 2003	$76.77	600,000	498,570
August 31, 2002	$76.77	600,000	498,570
Common Stock:			
August 31, 2004	$10.00	4,000	2,873
August 31, 2003	$10.00	4,000	2,995
August 31, 2002	$10.00	4,000	3,035

The Company received $4.0 million, $5.2 million and $5.8 million in 2004, 2003 and 2002, respectively, related to the 1997 stock offering. The $4.0 million received in 2004 was the final amount due from the 1997 stock offering.

(11) SIDNEY SUGARS INCORPORATED:

On October 7, 2002, the Company, through Sidney Sugars, acquired three sugarbeet processing facilities and the related marketing allocations associated with such facilities for a purchase price of approximately $35.2 million. Sidney Sugars operates the facility located at Sidney, Montana. The facility located in Torrington, Wyoming, has been leased, on a long-term basis, to another sugar producer. The lease payments due under the long-term lease are nominal. The facility located in Hereford, Texas, was sold in July 2004. As part of the acquisition transaction, the Company acquired the rights to marketing allocations equal to approximately 4.8 percent of the total allocation for the domestic sugarbeet segment. A portion of these marketing allocations are being used to market the sugar produced at the Sidney, Montana, facility. Any excess allocations are available to the Company. The sugar produced by Sidney Sugars is marketed through United while substantially all the agri-products produced are marketed through Midwest.

(12) CRAB CREEK SUGAR COMPANY:

On September 8, 2003, the Company, through its wholly-owned subsidiary Crab Creek Sugar Company (Crab Creek), acquired all of the assets of Pacific Northwest Sugar Company, LLC (PNSC), certain assets of Central Leasing of Washington, LLC (Central Leasing) that were associated with PNSC and the Moses Lake, Washington, sugarbeet factory previously operated by PNSC and control of the sugar production assets owned by Central Leasing associated with the Moses Lake, Washington, sugarbeet factory for a purchase price of approximately $6.7 million. In addition, Crab Creek entered into various contracts with Central Leasing such that Crab Creek controls the long-term production of sugar at the Moses Lake, Washington, facility. In connection with this acquisition, the United States Department of Agriculture (USDA) transferred to the Company the sugar marketing allocations formerly allocated to PNSC. Neither Crab Creek nor the Company intends to operate the Moses Lake, Washington, facility.

(13) PROGOLD LIMITED LIABILITY COMPANY:

Effective May 1, 2003, the Company acquired Minn-Dak Farmer Cooperative's five percent ownership interest in ProGold for $10.3 million. This acquisition resulted in an increase in the Company's ownership in ProGold to 51 percent, while Golden Growers Cooperative continued to own 49 percent. Due to the Company's resulting controlling ownership interest in ProGold, the Company began to consolidate ProGold in its financial statements as of May 1, 2003. Following is summary financial information for ProGold prior to consolidation:

(In Thousands)	For the Eight Months Ended April 30, 2003	For the Year Ended August 31, 2002
Rental Revenue on Operating Lease	$ 17,026	$ 26,302
Expenses	12,751	20,402
Net Income	$ 4,275	$ 5,900

(14) SEGMENT REPORTING:

The Company has identified two reportable segments: Sugar and Leasing. The sugar segment is engaged primarily in the production and marketing of sugar from sugarbeets. It also sells agri-products and sugarbeet seed. The leasing segment is engaged in the leasing of a corn wet milling plant used in the production of high-fructose corn syrup sweetener. The segments are managed separately. There are no inter-segment sales. The leasing segment has a major customer that accounts for all of that segment's revenue.

Summarized financial information concerning the Company's reportable segments is shown below:

For the Year Ended August 31, 2004

(In Thousands)	Sugar	Leasing	Consolidated
Net Revenue from			
External Customers	$ 1,007,251	$ 25,837	$ 1,033,088
Gross Proceeds	$ 680,854	$ 13,866	$ 694,720
Depreciation and			
Amortization	$ 45,809	$ 11,026	$ 56,835
Interest Income	$ 163	$ 6	$ 169
Interest Expense	$ 13,822	$ 6,327	$ 20,149
Income from Equity			
Method Investees	$ 286	$ —	$ 286
Other Income			
(Expense), Net	$ 2,206	$ (109)	$ 2,097
Net Proceeds	$ 465,790	$ 7,332	$ 473,122
Capital Expenditures	$ 30,045	$ 1,119	$ 31,164

For the Year Ended August 31, 2003

(In Thousands)	Sugar	Leasing	Consolidated
Net Revenue from			
External Customers	$ 820,606	$ 8,640	$ 829,246
Gross Proceeds	$ 533,756	$ 4,659	$ 538,415
Depreciation and			
Amortization	$ 44,687	$ 3,667	$ 48,354
Interest Income	$ 1,519	$ 1	$ 1,520
Interest Expense	$ 14,582	$ 2,289	$ 16,871
Income from Equity			
Method Investees	$ 4,873	$ —	$ 4,873
Other Income			
(Expense), Net	$ 3,334	$ —	$ 3,334
Net Proceeds	$ 359,570	$ 2,332	$ 361,902
Capital Expenditures	$ 46,783	$ 400	$ 47,183

As of August 31, 2004

(In Thousands)	Sugar	Leasing	Consolidated
Property and Equipment, Net	$ 330,540	$ 2	$ 330,542
Assets Held for Lease, Net	$ —	$ 160,643	$ 160,643
Segment Assets	$ 650,186	$ 172,140	$ 822,326

As of August 31, 2003

(In Thousands)	Sugar	Leasing	Consolidated
Property and Equipment, Net	$ 342,807	$ 5	$ 342,812
Assets Held for Lease, Net	$ —	$ 170,656	$ 170,656
Segment Assets*	$ 627,160	$ 182,591	$ 809,751

The Company had only one reportable segment, Sugar, for the year ended August 31, 2002.

(15) FAIR VALUE OF FINANCIAL INSTRUMENTS:

The fair value of financial instruments is generally defined as the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced liquidation sale. Quoted market prices are generally not available for the Company's financial instruments. Fair values are based on judgments regarding anticipated cash flows, future expected loss experience, current economic conditions, risk characteristics of various financial instruments and other factors. These estimates involve uncertainties and matters of judgment, and therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

Long-Term Debt — Based upon current borrowing rates with similar maturities, the fair value of the long-term debt is approximately $281.3 million in comparison to the carrying value of $271.0 million.

Investments in CoBank, ACB, Investments in Marketing Cooperatives, and Investments in Crystech, LLC — The Company believes it is not practical to estimate the fair value of these investments without incurring excessive costs because there is no established market for these securities and equity interests, and it is inappropriate to estimate future cash flows which are largely dependent on future earnings of these organizations.

(16) PAYMENT-IN-KIND PROGRAM:

Under the USDA Payment-In-Kind (PIK) program, the Company's members were paid to destroy a portion of their 2001 sugarbeet crop. Payments to the Company's members were made by the USDA in the form of PIK certificates to be exchanged for government owned sugar. The Company entered into contracts with its members to purchase the PIK certificates they received from the USDA and to reduce the members' delivery obligations to the Company to the extent sugarbeets were destroyed under the PIK program. The purchase price for the PIK certificates reflected an allocation of the Company's fixed costs to account for the reduction of sugarbeets available for processing.

As a result of the PIK program, the 2001 sugarbeet crop harvested by the Company's members was reduced by approximately 29,000 acres. The PIK certificates received were exchanged for approximately 1.2 million hundredweight of sugar during fiscal 2002.

(17) INCOME TAXES:

Total income tax payments (refunds) were $69,810, $(15,710), and $(15,400) in the years ended August 31, 2004, 2003 and 2002, respectively.

As of August 31, 2004, the Company had accumulated approximately $21.4 million of net operating loss carry-forwards for income tax reporting purposes. The net operating loss carry-forwards expire in the years 2018 through 2022. The Company's net deferred tax liability as of August 31, 2004 and 2003 is reflected below.

(In Thousands)	2004	2003
Deferred Tax Assets Related		
to Non-Patronage Source		
Loss Carry-Forwards	$ 11,000	$ 10,140
Deferred Tax Liability Related		
to Non-Patronage Source		
Temporary Differences	13,300	12,340
Net Deferred Tax Liability	$ 2,300	$ 2,200

A reconciliation of the Company's effective tax rates for the years ended August 31, 2004, 2003 and 2002 is shown below.

	2004	2003	2002
Federal Tax Expense			
at Statutory Rate	35.0%	35.0%	35.0%
State Tax Expense			
at Statutory Rate	6.0%	6.0%	6.0%
Payments to Members	(41.2)%	(41.2)%	(41.2)%
Other, Net	0.3%	0.3%	0.3%
Effective Tax Rate	0.1%	0.1%	0.1%

(18) ENVIRONMENTAL MATTERS:

The Company is subject to extensive federal and state environmental laws and regulations with respect to water and air quality, solid waste disposal and odor and noise control. The Company conducts an ongoing compliance program designed to meet these environmental laws and regulations. The Company believes that it is in substantial compliance with applicable environmental laws and regulations. From time to time, however, the Company may be involved in investigations or determinations regarding non-material matters that may arise.

On May 21, 2003, Sidney Sugars received an Enforcement Action for Air Quality Violation letter from the Montana Department of Environmental Quality for alleged violations of allowed particulate emissions at the Sidney, Montana, facility. On December 5, 2003, the Montana Department of Environmental Quality and Sidney Sugars entered into an Administrative Order on Consent (Consent Order) resolving this matter. The Consent Order, among other matters, required Sidney Sugars to pay an administrative civil penalty of $52,104. The seller of the Sidney, Montana, factory has indemnified Sidney Sugars for the amounts that were payable for this action.

The Company is currently conducting an environmental remediation plan at its Moorhead and Crookston, Minnesota, factories and at its Drayton, North Dakota, factory. The total cost of this plan is approximately $2.4 million of which $ .5 million was recognized in fiscal 2003 and $1.9 million was recognized in fiscal 2002.

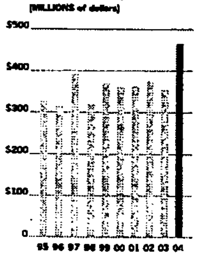
Distribution of Net Proceeds

For the Years Ended August 31

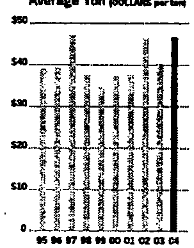
(In Thousands, Except Per-Ton-Purchased and Per-Acre-Harvested Amounts)
(Not Covered by Report of Independent Registered Public Accounting Firm)

	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995
Net Proceeds	$ 473,122	$ 361,902	$ 398,588	$ 389,039	$ 358,373	$ 369,681	$ 313,007	$ 373,649	$ 316,244	$ 326,693
PIK Payment, including Equity Retention	—	—	(23,497)	(28,067)	—	—	—	—	—	—
Non-Member (Income) Loss	(4,240)	(5,799)	733	1,884	1,879	494	9,679	18,074	396	15
Member Gross Beet Payment	468,882	356,103	375,824	362,856	360,252	370,175	322,686	391,723	316,640	326,708
Unit Retains	(29,991)	(17,486)	(24,154)	(19,239)	(19,299)	(21,332)	(8,545)	(16,611)	(16,040)	(16,648)
Member Tax Adjustment, Net	—	—	—	—	—	—	—	—	—	5,621
Member Net Beet Payment	$ 438,891	$ 338,617	$ 351,670	$ 343,617	$ 340,953	$ 348,843	$ 314,141	$ 375,112	$ 300,600	$ 315,681
Per Ton Purchased:										
Net Proceeds	$ 47.29	$ 41.36	$ 49.47	$ 40.42	$ 37.11	$ 34.62	$ 36.60	$ 44.95	$ 39.39	$ 39.21
PIK Payment, including Equity Retention	—	—	(2.92)	(2.92)	—	—	—	—	—	—
Non-Member (Income) Loss	(0.43)	(0.66)	0.09	0.20	0.20	0.05	1.13	2.17	0.05	0.00
Member Gross Beet Payment	46.86	40.70	46.64	37.70	37.31	34.67	37.73	47.12	39.44	39.21
Unit Retains	(3.00)	(2.00)	(3.00)	(2.00)	(2.00)	(2.00)	(1.00)	(2.00)	(2.00)	(2.00)
Member Tax Adjustment, Net	—	—	—	—	—	—	—	—	—	0.68
Member Net Beet Payment	$ 43.86	$ 38.70	$ 43.64	$ 35.70	$ 35.31	$ 32.67	$ 36.73	$ 45.12	$ 37.44	$ 37.89
Member Tons Harvested	10,006	8,749	8,058	9,626	9,657	10,679	8,553	8,313	8,029	8,332
Member Gross Beet Payment Per Acre Harvested	$ 945.46	$ 711.06	$ 829.48	$ 820.68	$ 740.84	$ 769.01	$ 699.05	$ 854.11	$ 737.40	$ 790.64
Member Net Beet Payment Per Acre Harvested	$ 884.99	$ 676.15	$ 776.17	$ 777.17	$ 701.15	$ 724.69	$ 680.62	$ 817.80	$ 700.04	$ 763.95

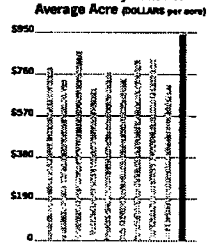
Gross Beet Payment (MILLIONS of dollars)



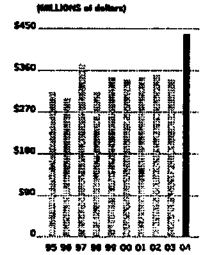
Gross Beet Payment Per Average Ton (DOLLARS per ton)



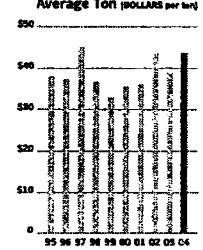
Gross Beet Payment Per Average Acre (DOLLARS per acre)



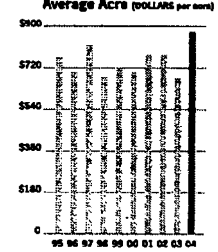
Net Beet Payment (MILLIONS of dollars)



Net Beet Payment Per Average Ton (DOLLARS per ton)



Net Beet Payment Per Average Acre (DOLLARS per acre)



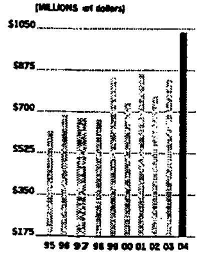
Selected Financial Data and Certain Statistics

For the Years Ended August 31

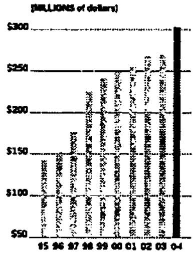
(In Thousands, Except Ratios, Per-Acre-Harvested and Percentage Amounts)
(Not Covered by Report of Independent Registered Public Accounting Firm)

	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995
Net Revenue	$ 1,033.088	$ 829,246	$ 775,288	$ 866,362	$ 731,432	$ 843,968	$ 676,625	$ 677,004	$ 688,012	$ 605,960
Total Assets	$ 822,326	$ 809,751	$ 622,693	$ 641,445	$ 739,719	$ 667,824	$ 648,118	$ 581,504	$ 465,136	$ 420,890
Members' Investments	$ 303.426	$ 270,346	$ 268,667	$ 255,660	$ 249,330	$ 241,286	$ 224,843	$ 175,928	$ 152,136	$ 142,047
Long-Term Debt, Net of Current Maturities	$ 250,086	$ 286,922	$ 182,371	$ 201,416	$ 230,905	$ 233,135	$ 194,695	$ 186,800	$ 177,394	$ 106,914
Ratio of Debt to Equity	.83:1	1.06:1	.68:1	.79:1	.93:1	.97:1	.87:1	1.06:1	1.17:1	.75:1
Interest Expense, Net	$ 20.149	$ 16,871	$ 14,578	$ 19,973	$ 22,645	$ 21,960	$ 14,390	$ 18,321	$ 11,252	$ 14,532
Property and Equipment Additions, Net of Retirements	$ 30.347	$ 46,578	$ 15,281	$ 21,851	$ 42,088	$ 58,693	$ 98,992	$ 69,542	$ 43,168	$ 48,394
Depreciation and Amortization	$ 56.835	$ 48,354	$ 40,389	$ 40,427	$ 37,562	$ 34,334	$ 26,870	$ 24,188	$ 20,314	$ 28,174
Working Capital	$ 58.673	$ 49,572	$ 58,282	$ 45,341	$ 53,613	$ 56,733	$ 30,357	$ 45,652	$ 32,071	$ 28,046
Red River Valley Statistics — Member Business										
Acres Harvested	496	501	453	442	486	481	462	459	429	413
Tons Purchased	10,006	8,749	8,058	9,626	9,657	10,679	8,553	8,313	8,029	8,332
Tons Purchased per Acre Harvested	20.2	17.5	17.8	21.8	19.9	22.2	18.5	18.1	18.7	20.2
Sugar Content of Sugarbeets	18.5%	17.0%	18.0%	17.8%	17.4%	17.7%	17.6%	17.3%	16.4%	16.8%
Sugar Hundredweight										
Produced	30,983	24,527	25,395	29,034	26,646	25,453	21,528	22,465	19,947	21,369
PIK Sugar Receipts	—	—	1,177	1,561	—	—	—	—	—	—
Sold, Including Purchased Sugar (A)	30,994	24,991	26,806	32,445	24,756	27,552	21,735	20,579	22,179	19,702
Pulp Tons										
Produced	508	429	407	475	464	482	431	438	401	443
Sold	499	428	440	436	460	564	432	396	385	463
Molasses Tons										
Produced	100	89	54	91	184	362	248	252	250	200
Sold	98	76	42	90	189	397	219	222	253	196
CSB Tons										
Produced	165	166	151	183	136	77	92	85	90	85
Sold	167	149	154	175	154	81	77	78	87	85
(A) Purchased Sugar Hundredweight Sold	33	465	288	3	230	798	901	869	490	509

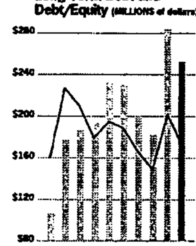
Net Revenue (MILLIONS of dollars)



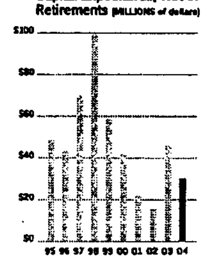
Members' Investments (MILLIONS of dollars)



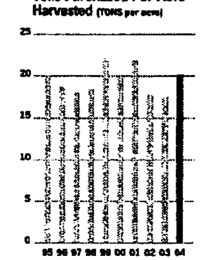
Long-Term Debt and Debt/Equity (MILLIONS of dollars)



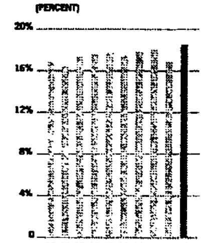
Capital Expeditures, Net of Retirements (MILLIONS of dollars)



Tons Purchased Per Acre Harvested (TONS per acre)



Sugar Content of Sugarbeets (PERCENT)



Board of Directors and Senior Management

American Crystal Sugar Company

American Crystal's Board of Directors is composed of shareholders representing the Company's factory districts. Three directors are elected from each of the five districts. New directors from the shareholder base are elected by American Crystal shareholders (for three-year terms that cannot exceed 12 consecutive years) during the annual factory district meetings each November. Additionally, a chairman is elected after the Company's annual meeting each year. This process provides continuous transition in the Board's structure, as each new member brings a fresh perspective to enhance the Company's strategic growth.


Michael Astrup
Director – Moorhead Factory District


David Berg
Vice President – Operations and Chief Operations Officer


James Horvath
President and Chief Executive Officer


Brian Ingulsrud
Vice President – Administration


Patrick Mahar
Director – Drayton Factory District


Jeff McInnes
Director – Hillsboro Factory District


G. Terry Stadstad
Vice Chairman – East Grand Forks Factory District


Joseph Talley
Vice President – Finance and Chief Financial Officer


Richard Borgen
Director – Moorhead Factory District


John Gudajtes
Director – East Grand Forks Factory District


Curtis Haugen
Director – East Grand Forks Factory District


Lonn Kiel
Director – Crookston Factory District


David Kragnes
Director – Moorhead Factory District


Francis Kritzberger
Director – Hillsboro Factory District


Daniel Mott
Secretary and General Counsel


Ronald Reitmeier
Director – Crookston Factory District


Jim Ross
Director – Crookston Factory District


Thomas Astrup
Vice President – Agriculture


Robert Vivatson
Chairman – Drayton Factory District


Neil Widner
Director – Drayton Factory District

Jerry Bitker
Director – Hillsboro Factory District (not pictured)

Corporate Data

American Crystal Sugar Company

Executive Personnel

James J. Horvath
President and Chief Executive Officer

Thomas S. Astrup
Vice President – Agriculture

David A. Berg
Vice President – Operations and Chief Operations Officer

Brian F. Ingulsrud
Vice President – Administration

Joseph J. Talley
Vice President – Finance and Chief Financial Officer

Daniel C. Mott
Secretary and General Counsel

Kevin S. Price
Director – Government Affairs

Samuel S. M. Wai
Treasurer
Assistant Secretary

Mark P. Kalvoda
Corporate Controller
Assistant Treasurer
Assistant Secretary

Mark L. Lembke
Assistant Treasurer
Assistant Secretary

David L. Malmskog
Assistant Treasurer
Assistant Secretary

Ronald K. Peterson
Assistant Treasurer
Assistant Secretary

Lisa M. Maloy
Assistant Secretary

Annual Meeting

The 2004 Annual Meeting of the members will be held December 2, 2004, at the Holiday Inn, Fargo, N.D.

Auditors

Eide Bailly LLP
Sioux Falls, S.D.

Legal Counsel

Fredrikson & Byron PA
Minneapolis, MN

Shareholder Information

The Treasury Department can help members with non-receipt of beet payments, transferring shares, changes of address and similar matters. For assistance, contact:

Mary Schmit
Stockholder Accounting Supervisor
(218) 236-4323

Financial Information

For information regarding American Crystal business operations or financial reports, shareholders should contact:

Joseph J. Talley
Vice President – Finance and Chief Financial Officer
(218) 236-4391

News Media Inquiries

News media representatives and others needing information about American Crystal corporate activities should contact:

Jeff Schweitzer
Public Relations Manager
(218) 236-4492

Business Locations and Operating Facilities

Corporate Headquarters
101 North Third Street
Moorhead, MN 56560
(218) 236-4400

Beet Seed Division
1700 North 11th Street
Moorhead, MN 56560
(218) 299-4788

Crookston Factory
P.O. Box 600
Crookston, MN 56716

David Walden
Director, Factory Operations
(218) 281-0142

Jerry Christenson
Agronomy Manager
(218) 281-0107

Drayton Factory
P.O. Box 190
Drayton, ND 58225

Ron Koester
Factory Manager
(701) 454-3230

Doug Reiner
Agronomy Manager
(701) 454-3238

East Grand Forks Factory
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East Grand Forks, MN 56721

Bob Arne
Factory Manager
(218) 773-5124

Jerry Christenson
Agronomy Manager
(218) 281-0107

Hillsboro Factory
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Hillsboro, ND 58045

Lloyd Kennedy
Factory Manager
(701) 436-3111

Tom Newcomb
Agronomy Manager
(701) 436-3120

Moorhead Factory
2500 North 11th Street
Moorhead, MN 56560

Steve Rosenau
Factory Manager
(218) 291-5431

Tom Newcomb
Agronomy Manager
(701) 436-3120

Sidney Sugars

Sidney Factory
RR1, Box 3011
East Holly Street
Sidney, MT 59270
(406) 433-3301

Joseph J. Talley
Chief Operating Officer

Steve Sing
General Manager

Russ Fullmer
Agronomy Manager

James Lowry
Operations Manager

Chuck Hufford
President
Midwest Agri-Commodities

John Doxsie
President
United Sugars Corporation

Marketing

MIDWEST AGRI

Midwest Agri-Commodities Company Headquarters
999 Fifth Street, Suite 500
San Rafael, CA 94901
(415) 259-2720

V.C. "Chuck" Hufford
President

James Eichenberger
Chief Operating Officer

Darryl Salter
Vice President – North American Operations

UNITED SUGARS CORPORATION

United Sugars Corporation Headquarters
7401 Metro Blvd., Suite 350
Edina, MN 55439
(952) 896-0131

John Doxsie
President

Mike Kerber
Vice President – Sales and Marketing – Consumer

Catherine Morusha
Vice President – Operations

Dirk Swart
Vice President – Sales and Marketing – Industrial

Paul Wengronowitz
Vice President – Finance

American Crystal Sugar Company

101 North Third Street, Moorhead, Minnesota 56560
www.crystalsugar.com

EXHIBIT 5

UNITED STATES SUGAR CORPORATION

A FAMILY OF AGRIBUSINESSES

A Family of Agribusinesses

United States Sugar Corporation is one of America's premier, privately held agribusiness companies. With state-of-the-art technology for both sugar refining and citrus processing, U.S. Sugar practices the most efficient and progressive farming techniques available in the world. Vertical integration provides U.S. Sugar a direct connection from the farm to the marketplace while maintaining the highest standards for worker safety, food quality and environmental protection. Headquartered in Clewiston, Florida, the Company farms on 196,000 acres in Hendry, Glades and Palm Beach counties in South Central Florida.

U.S. Sugar is the country's largest producer of cane sugar -- some 700,000 tons each year. The addition of a sugar refinery in 1998 allows the company to refine the raw sugar that it produces -- sugar that previously was shipped to out-of-state refineries for processing.

The Company's other main business, Southern Gardens Citrus, is one of Florida's largest producers of oranges and orange juice products. It produces more than 120 million gallons of orange juice annually.

U.S. Sugar carries on the philosophy of its founder, Charles Stewart Mott, in giving back to the community. The Company donates each year to education, youth activities, the arts, health and environmental organizations and community activities.